

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,	:	PROMESA
	:	Title III
as representative of	:	Case No. 17-BK-3283 (LTS)
THE COMMONWEALTH OF PUERTO RICO <i>et al.</i> ,	:	(Jointly Administered)
Debtors. ¹	:	

X

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Case No. 17-BK-3283 (LTS)

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(Jointly Administered)

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X

ORDER

Before the Court are four requests for joinder in Ambac Assurance Corporation’s (“Ambac”) Rule 2004 Motions concerning Commonwealth Assets (Dkt. No. 9022) and Cash Restriction Analysis (Dkt. No. 9023) (together, the “Rule 2004 Motions”).

The joinders relate to the *Memorandum Order Denying Motion to Strike Certain Rule 2004 Applications* (Dkt. No. 10332) (the “Order”) entered by the Court on January 23, 2020. In the Order, the Court denied the Oversight Board and AAFAF’s motion to strike the Rule 2004 Motions, and required Ambac, the Oversight Board, and AAFAF to meet and confer “to identify

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

parameters for disclosure that are substantially narrower than the requests set forth in the Rule 2004 Motions and that are designed to provide Ambac with core information sufficient to obtain a basic understanding of major aspects of the Commonwealth's financial condition that will be relevant to a plan of adjustment." (Order at 9-10). The Order provides that "Ambac is one of many creditors entitled to basic information concerning the financial condition of this Debtor [and thus a]ny plan for compliance should provide opportunities for [the Oversight Board and AAFAF] to identify, organize, and disclose a core body of information in a manner that will not be unduly expensive or disruptive of operations and that will facilitate efficient responses to future similar requests." (Id. at 9). The Order also requires the parties to file a joint status report by February 12, 2020, "setting forth their agreed parameters and a timetable for compliance as well as a proposed mechanism for the resolution of any aspects of the Rule 2004 Motions that remain disputed." (Id. at 10).

The joinders, filed by Assured Guaranty Corp., Assured Guaranty Municipal Corp. (f/k/a Financial Security Assurance Inc.) (together, "Assured") and National Public Finance Corporation ("National") (Dkt. No. 10593), the Official Committee of Unsecured Creditors (the "UCC") (Dkt. No. 10425), Salud Integral en la Montana ("SIM") (Dkt. No. 10401) and Financial Guarantee Insurance Company ("FGIC") (Dkt. No. 10605) (together, the "Joinders") all generally seek to join in the relief requested in the Rule 2004 Motions, to participate in any depositions taken in connection with the Rule 2004 Motions, and to participate in the meet and confer ordered by the Court.²

² Specifically, SIM seeks to participate in the meet and confer or, in the alternative, to receive any information or documents that result from the meet and confer process. (See Dkt. No. 10401 ¶¶ 1-2). The UCC's joinder seeks to "obtain the same information as Ambac related to the Commonwealth's

Having reviewed the Joinders, the Court hereby ORDERS as follows:

The joint status report to be filed by Ambac, the Oversight Board and AAFAF by February 12, 2020 pursuant to the Order shall respond to the Joinders, in particular, the requests to receive the same information as Ambac related to the Commonwealth's financial condition and to participate in any depositions taken in connection with the Rule 2004 Motions. If necessary, the Court will request additional briefing on the Joinders and/or decide the issue of joinder on the papers. Thus, to the extent the Joinders seek to obtain discovery produced to Ambac and participate in depositions, the Joinders remain pending.

The Court denies the requests in the Joinders to join the meet and confer process ordered by the Court. However, this Court notes that nothing in the Order precludes the Oversight Board, AAFAF, and Ambac from including these parties from participating in devising a coordinated discovery plan and schedule. Moreover, if appropriate, the Court will set a briefing schedule for comments on the proposed discovery schedule provided in the joint status report to provide the opportunity for additional parties to comment on the proposal.

SO ORDERED.

/ s / Judith Gail Dein

Judith Gail Dein

United States Magistrate Judge

Dated: February 6, 2020

financial condition and participate in any meet and confer process related thereto." (Dkt. No. 10425 at ¶ 2). Assured and National seek to join in the relief requested in the Rule 2004 Motions, to be included in the meet and confer process, and to participate in any depositions taken in connection with the Rule 2004 Motions. (See Dkt. No. 10593 ¶ 3). FGIC seeks to join in the relief requested in the Rule 2004 Motions, to be included in the meet and confer process, and to participate in any depositions taken in connection with the Rule 2004 Motions. (See Dkt. No. 10605 ¶ 7).